

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
QWEST CORPORATION FOR AN)	CASE NO. QWE-T-05-20
INVESTMENT TAX CREDIT FOR)	
INSTALLING QUALIFIED BROADBAND)	
EQUIPMENT)	ORDER NO. 29913
)	

On October 12, 2005, Qwest Corporation ("Qwest" or "Company") filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing "qualified broadband equipment" in Idaho. To be eligible for the tax credit, the taxpayer must obtain from the Commission an Order confirming that the installed equipment meets the definition of qualified broadband equipment set out at *Idaho Code* § 63-3029I(3)(b). Briefly, qualified broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications carrier, the qualified broadband equipment must also "be necessary to the provision of broadband service and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). In this Order, we find that Qwest has installed qualified broadband equipment.

THE APPLICATION

Qwest's Application identifies the Company's broadband investments for the year 2004. The Application indicated Qwest had installed central office equipment and fiber cables to provide broadband services to Idaho customers. The Application included general broadband facilities dedicated line facilities, and inter-office facilities. The Application included a signed affidavit indicating the submitted investments qualified for the broadband tax credit. The Company amended the Application on November 1, 2005 to remove certain items from the list of equipment. The amended Application identified a net investment (new investment minus retirements) of more than \$16 million in 2004.

STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. This Order identifies information that must be

included in an Application for a broadband tax credit. Once the information has been filed, then the Commission Staff reviews the Application and submits a recommendation to the Commission. Staff reviewed the list of broadband equipment submitted by Qwest. Staff believes that the equipment is "necessary for the provision of broadband services and an integral part of a broadband network." *Idaho Code* § 63-3029I(3)(b)(i). Consequently, Staff recommended that the Commission issue an Order approving Qwest's Application. Staff further recommended that the Commission forward the approving Order, along with a copy of the original Application, to the Idaho Tax Commission.

FINDINGS

Having reviewed Qwest's Application as amended and Staff's recommendation, we find that the amended Application for a qualifying broadband equipment Order should be granted. The Company has demonstrated that the installed broadband equipment identified in its amended Application conforms with the qualifying requirements of *Idaho Code* § 63-3029I(b). We further find that, as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Qwest has installed qualified broadband equipment as a precondition to seeking an Idaho broadband tax credit. The Commission makes no findings regarding the costs of the installed broadband equipment.

ORDER

IT IS HEREBY ORDERED that Qwest Corporation's amended Application for an Order certifying that it has installed qualifying broadband equipment is approved.

IT IS FURTHER ORDERED that a copy of this Order and a copy of the amended Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of November 2005.



PAUL KJELLANDER, PRESIDENT

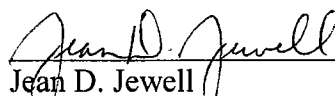


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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